

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 COME-00 EB-08
INR-07 LAB-04 NSAE-00 SIL-01 TRSE-00 SY-05 A-01
OPR-02 NSCE-00 USIE-00 INRE-00 PM-05 H-01 L-03
PA-01 PRS-01 SP-02 SS-15 OMB-01 SSO-00 /070 W
-----102479 131807Z /46

O P 131600Z OCT 77
FM AMEMBASSY ATHENS
TO SECSTATE WASHDC IMMEDIATE 2851
INFO CINCUSAFE PRIORITY
CINCUSNAVEUR PRIORITY
7206 ABG HELLENIKON PRIORITY
SECDEF WASHDC PRIORITY
HQ USAF WASHDC PRIORITY
CNO WASHDC PRIORITY
NAVDET SOUDA BAY PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 ATHENS 9339

E.O. 11652: GDS
TAGS: MARR, PINT, GR, US
SUBJECT: LABOR DISPUTE INVOLVING GREEK EMPLOYEES AT U.S. MILITARY
FACILITIES

REF: ATHENS 9310 (DTG 121711Z OCT 77) NOTAL

1. THE FOLLOWING INFORMATION IS TRANSMITTED FOR THE BACKGROUND
INFORMATION OF THE DEPARTMENT AND OTHER INTERESTED WASHINGTON
AGENCIES.

2. OVER THE PAST SEVERAL MONTHS, THE U.S. FORCES IN GREECE, AS-
SISTED BY THE EMBASSY, HAVE BEEN SEEKING RELIEF FROM A RULING OF
THE LABOR ARBITRATION COURT AT HANIA, CRETE, WHICH LAST NOVEMBER
AWARDED THE 21-MAN GREEK WORK FORCE AT THE U.S. NAVAL DETACHMENT
AT SOUDA BAY WAGE AND FRINGE BENEFIT INCREASES OF APPROXIMATELY
63 PERCENT RETROACTIVE TO JULY 1, 1976. WE BELIEVED THE AMOUNT OF
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THE INCREASE UNJUSTIFIED BY THE ECONOMIC CRITERIA UPON WHICH,
BY LAW, SUCH ARBITRATION COURT DECISIONS SHOULD BE BASED. AND WE
BELIEVED THE COURT'S DECISION ITSELF WAS DEFICIENT AS IT WAS NOT
ACCOMPANIED, AS REQUIRED BY LAW, BY THE ECONOMIC RATIONALE FOR
THE SIZE OF THE INCREASE.

3. THE GREEK MINISTRY OF LABOR, AFTER ITSELF QUESTIONING THE

DECISION IN SEVERAL EXCHANGES WITH THE ARBITRATION COURT, VALIDATED THE COURT'S DECISION ON MARCH 14, 1977. IN APRIL, THE U.S. FORCES, THROUGH THE HELLENIC OFFICE OF ADMINISTRATION (HOA) OF THE HELLENIC AIR FORCE (HAF), WHICH ACTS AS THE LEGAL EMPLOYER OF GREEK WORKERS UTILIZED BY THE U.S. FORCES HERE UNDER OUR BILATERAL AGREEMENT OF JULY 22, 1960, AND THE EMBASSY, THROUGH THE MINISTRIES OF FOREIGN AFFAIRS, NATIONAL DEFENSE, AND LABOR, ASKED THE GOG TO TAKE ALL POSSIBLE LEGAL AND ADMINISTRATIVE STEPS TO HAVE THE ARBITRATION COURT DECISION MODIFIED OR CANCELLED.

4. ALTHOUGH THE ACTION WAS SOMEWHAT UNPRECEDENTED, SINCE IT INVOLVED TWO MINISTRIES BRINGING ACTION AGAINST A THIRD MINISTRY (IN THIS CASE, LABOR), THE MINISTRY OF FINANCE AND THE MINISTRY OF DEFENSE (THE TWO MINISTRIES CONCERNED) PETITIONED THE COUNCIL OF STATE (GREECE'S HIGHEST ADMINISTRATIVE COURT) ON MAY 16 TO CONCEL THE ARBITRATION COURT DECISION. THE MINISTRIES ALSO PETITIONED THE COUNCIL TO PERMIT CONTINUED DEFERRAL OF PAYMENT OF THE INCREASES AWARDED BY THE ARBITRATION COURT PENDING THE COUNCIL'S RULING ON THE DECISION ITSELF, FOR WHICH THE COUNCIL SCHEDULED A HEARING ON OCTOBER 4. ON JUNE 16, THE COUNCIL RULED THAT PAYMENT COULD NOT BE DEFERRED, POINTING OUT THAT ANY PAYMENTS MADE WHICH WERE SUBSEQUENTLY INVALIDATED COULD BE RECOVERED. IN ADDITION TO THE PETITION TO THE COUNCIL OF STATE, THE MINISTRY OF FINANCE PETITIONED THE CIVIL COURT AT HANIA TO ANNUL THE ARBITRATION COURT DECISION. A HEARING ON THAT PETITION WAS SCHEDULED FOR SEPTEMBER 1.

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5. FOLLOWING THE COUNCIL OF STATE'S RULING OF JUNE 16 THAT PAYMENT OF THE INCREASES COULD NOT BE DEFERRED, THE U.S. FORCES, AFTER COORDINATING WITH THE EMBASSY, BEGAN MAKING MONTHLY LUMP SUM PAYMENTS TO THE GREEK EMPLOYEES OF THE NAVAL DETACHMENT AT SOUDA BAY BEGINNING ON JULY 1. THE PURPOSE OF THESE PAYMENTS WAS TO DEMONSTRATE THAT WE WERE MOVING TOWARD COMPLIANCE WITH THE JUNE 16 RULING OF THE COUNCIL WITHOUT, HOWEVER, MAKING THE FULL PAYMENTS, IN THE HOPE THAT A DECISION BY EITHER THE COUNCIL OR THE CIVIL COURT AT HANIA WOULD MAKE FULL IMPLEMENTATION OF THE ARBITRATION COURT DECISION UNNECESSARY.

6. HOWEVER, IT IS NOW APPARENT THAT NEITHER THE COURT NOR THE COUNCIL WILL REACH A DECISION ON THE CASE IN THE IMMEDIATE FUTURE. AT THE REQUEST OF THE UNION REPRESENTING THE SOUDA BAY WORKERS, THE HANIA CIVIL COURT, ON SEPTEMBER 1, POSTPONED CONSIDERATION OF THE CASE UNTIL OCTOBER 20 PENDING THE COUNCIL OF STATE'S SCHEDULED HEARING ON OCTOBER 4. THE COUNCIL'S OCTOBER 4 HEARING DID NOT TAKE PLACE BECAUSE OF A LAW PASSED IN LATE SEPTEMBER REORGANIZING THE COUNCIL, AND ITS CONSIDERATION OF THE CASE WILL BE DELAYED INDEFINITELY. (OUR CONTACTS ON THE COUNCIL STAFF ESTIMATE THAT IT IS UNLIKELY THE CASE CAN BE HEARD BY THE COUNCIL BEFORE LATE DECEMBER OR EARLY 1978.) ON OCTOBER 20 WE EX-

PECT THE COURT WILL AGAIN POSTPONE CONSIDERATION OF THE CASE.

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7. A NEW COMPLICATION WAS INTRODUCED LAST WEEK WHEN THE SOUDA BAY UNION GAVE OFFICIAL NOTICE ON OCTOBER 8 THAT ITS MEMBERS HAD DECIDED TO CALL A STRIKE OF INDEFINITE DURATION TO PROTEST THE GOG'S NONCOMPLIANCE WITH THE ARBITRATION COURT AWARD AND WITH THE JUNE 16 RULING OF THE COUNCIL OF STATE. THE STRIKE COULD OCCUR ANY TIME AFTER OCTOBER 15, WHEN THE LEGAL WAITING PERIOD FOLLOWING STRIKE NOTIFICATION EXPIRES.

8. THE DELAY IN GETTING A FINAL DECISION FROM THE COUNCIL OF STATE AND, NOW, THE STRIKE THREAT HAVE CONVINCED US THAT US FORCES CAN NO LONGER POSTPONE FULL COMPLIANCE WITH THE ARBITRATION COURT DECISION. WE HAVE, THEREFORE, REQUESTED THAT THE APPROPRIATE MILITARY HEADQUARTERS IN RAMSTEIN AUTHORIZE FULL PAYMENT, AS SOON AS POSSIBLE, TO COMPLY.

9. FULL COMPLIANCE WITH THE ARBITRATION COURT DECISION, WE UNDERSTAND, WOULD INVOLVE APPROXIMATELY \$50,000 TO SATISFY OUTSTANDING
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RETROACTIVE PAYMENTS. FURTHER PAYMENTS ON THAT BASIS, WE ARE TOLD, WOULD ADD \$50-60,000 TO LABOR COSTS AT SOUDA BAY ANNUALLY. CINCUSNAVEUR HAS ALREADY INDICATED HIS WILLINGNESS TO MEET SUCH COSTS WITHOUT ANY REDUCTION IN THE 21-MAN GREEK WORK FORCE AT SOUDA BAY.

10. HOWEVER, FULL PAYMENT IN ACCORDANCE WITH THE ARBITRATION COURT DECISION AT SOUDA BAY WOULD SET A PRECEDENT FOR THE MUCH LARGER GREEK WORK FORCE AT OTHER U.S. FACILITIES IN GREECE. THEIR UNION HAS ALREADY ANNOUNCED ITS INTENTION TO SEEK EXTENSION OF THE 63 PERCENT INCREASE TO ITS MEMBERS AS WELL. IT WOULD HAVE A STRONG LEGAL CASE IN THIS RESPECT IF THE ARBITRATION COURT DECISION IS UPHELD. MOREOVER, WE UNDERSTAND THAT EXTENSION OF THE INCREASE TO THE ENTIRE GREEK WORK FORCE WOULD INCREASE THE U.S. FORCES' ANNUAL LABOR COSTS HERE BY \$4-5 MILLION.

11. AS NOTED ABOVE, IN OUR LATEST TELEGRAM TO CINCUSAFE (REFTEL WHICH WE ARE REPEATING TO THE DEPARTMENT) THE EMBASSY RECOMMENDED THAT THE CIVILIAN PERSONNEL COORDINATING COMMITTEE (CPCC), WHICH SETS LABOR RELATIONS POLICY FOR LOCAL EMPLOYEES OF U.S. FORCES, IMMEDIATELY AUTHORIZE FULL PAYMENT OF THE 63 PERCENT INCREASE TO THE SOUDA BAY WORK FORCE PENDING ACTION BY THE COUNCIL OF STATE. SUCH PAYMENT WOULD PLACE US IN FULL COMPLIANCE WITH GREEK LAW FOR THE FIRST TIME SINCE THE LABOR MINISTRY'S VALIDATION LAST MARCH OF THE ARBITRATION COURT'S DECISION. IT WOULD ALSO REMOVE THE LEGAL BASIS FOR THE UNION'S STRIKE NOTICE. SHOULD THE COUNCIL OF STATE SUBSEQUENTLY MODIFY OR CANCEL THE ARBITRATION COURT DECISION, THERE IS PROVISION IN GREEK LAW FOR RECOVERING ANY OVERPAYMENTS MADE TO THE SOUDA BAY WORKERS.

12. IN OUR TELEGRAM TO CINCUSAFE WE ALSO REQUESTED THE CPCC TO EXAMINE, ON A CONTINGENCY BASIS, WHAT ACTIONS U.S. FORCES IN GREECE WOULD HAVE TO TAKE WITH RESPECT TO THEIR GREEK LABOR FORCE
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IN THE EVENT IT BECAME NECESSARY TO EXTEND THE 63 PERCENT INCREASE TO THE REMAINDER OF THE GREEK WORK FORCE AT U.S. MILITARY INSTALLATIONS OTHER THAN SOUDA BAY. WE UNDERSTAND REDUCTIONS ARE BEING MADE, OR CONTEMPLATED, FOLLOWING A RECENT SUBSTANTIAL INCREASE IN LOCAL LABOR COSTS AT OUR INSTALLATIONS IN TURKEY. IF SIMILAR REDUCTIONS WERE TO BE CARRIED OUT HERE ALSO, THE EMBASSY HAS TO BE IN A POSITION TO EXPLAIN THIS IN ADVANCE TO THE APPROPRIATE GOG OFFICIALS. THIS IS PARTICULARLY IMPORTANT IN THE PRESENT PRE-ELECTORAL PERIOD.

13. AS REPORTED SEPARATELY, THE CHARGE MENTIONED THE POSSIBILITY OF A STRIKE AT SOUDA BAY DURING HIS MEETING ON OCTOBER 12 WITH PETROS MOLYVIATES, DIRECTOR OF THE PRIME MINISTER'S POLITICAL

OFFICE. THE CHARGE HAS ALSO ASKED TO SEE DEFENSE MINISTER AVEROFF
AS SOON AS HE RETURNS FROM THE NPG MEETING IN BARI IN ORDER TO
DISCUSS THE PROBLEM WITH HIM IN GREATER DETAIL. AVEROFF HAS
FOLLOWED THIS DISPUTE CLOSELY, AND SYMPATHETICALLY, SINCE LAST
SPRING AND WAS INSTRUMENTAL IN INITIATING THE GOG APPEALS TO THE
COUNCIL OF STATE AND THE HANIA CIVIL COURT. WE WILL REPORT FURTHER
TO THE DEPARTMENT ON THIS MATTER FOLLOWING THAT MEETING.
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Message Attributes

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